

VZCZCXRO0588
PP RUEHDE RUEHDH RUEHDIR
DE RUEHRH #0524/01 0961421
ZNR UUUUU ZZH
P 061421Z APR 09
FM AMEMBASSY RIYADH
TO RUEHC/SECSTATE WASHDC PRIORITY 0558
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE
RUCPDO/DEPT OF COMMERCE WASHDC

UNCLAS SECTION 01 OF 02 RIYADH 000524

SIPDIS
SENSITIVE

USTR FOR JASON BUNTIN
USDOC FOR STEVEN GARRETT

E.O. 12958: N/A
TAGS: [ECON](#) [ETRD](#) [EINV](#) [KIPR](#) [SA](#)
SUBJECT: FIRST MEETING OF U.S. - SAUDI ARABIA INTELLECTUAL
PROPERTY WORKING GROUP YIELDS POSITIVE RESULTS

REF: A. RIYADH 290
[B](#). RIYADH 83
[C](#). RIYADH 40
[D](#). 2008 RIYADH 1682
[E](#). 2007 RIYADH 2193

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Summary

[1](#). (SBU) The first meeting of the U.S. - Saudi Arabia Intellectual Property Rights (IPR) Working Group occurred March 4-6 in Washington, DC, on the margins of the Trade and Investment Framework Agreement (TIFA) Council Meeting (septel). Some private rights-holders also participated in the meetings. The creation of the Working Group was outlined in USTR's 2008 IPR Action plan presented to the SAG in September. Representatives from both the U.S. and Saudi delegations welcomed the meeting as a positive development in cooperation to increase IPR enforcement. The talks focused heavily on IPR enforcement and government compliance with software use. At the end of the meeting, the SAG committed to increased transparency in IPR prosecutions and government use of software. The Saudis additionally agreed to the pharmaceutical Exclusive Marketing Rights Proposal (ref E) and said a Royal Decree is forthcoming. Finally, the SAG expressed frustration at trying to negotiate a GCC wide data-exclusivity law. The SAG is hosting two training seminars in conjunction with USPTO this spring. End summary.

Stakeholders discuss Saudi progress on IPR

[2](#). (SBU) As suggested in the IPR Action Plan of 2008, the US-Saudi Arabia IPR Working Group held its first meeting March 4-6 in Washington, DC. Led by Mohammed al-Aiyash, Chairman of the Saudi IPR Committee at the Ministry of Commerce and Industry (MoCI), the Saudi delegation included members from the Ministry of Culture and Information (MoC), the King Abdulaziz City for Science and Technology (KACST) and others. The U.S. delegation was made up of officials from USTR and the Department of State. Aiyash said the SAG hopes to improve cooperation between the public and private sector on Saudi Arabia's IPR enforcement regime, especially on working together on training and knowledge transfer. He noted that all Saudi officials are willing to meet with Emboffs and rights-holders at any time. He said the SAG website maintained by the Violations Review Committee (VRC) is up and running and cited the opening of a new VRC in Jeddah as yet another step towards increased enforcement(ref b).

[3](#). (SBU) Eric Smith, President of the International Intellectual Property Rights Association (IIPA) lauded the

developments in enforcement over the past year, in particular the efforts of Deputy Minister of Culture and Information Al-Hazzaa, and said the Ministry is sending a clear message that transparency is critical. He also welcomed the news of increased street raids and said he had heard of "massive reductions" in street vending, particularly of those vendors who approach cars at red lights and intersections. However, he pointed out that the information on the website is incomplete and only in Arabic, and he bemoaned the fact that more cases are not being prosecuted to begin with, citing the United Arab Emirate's Zero Tolerance Policy as a model in the region. (Note: In our view, these reports of "massive reductions" in street vending are overstated, but so is Smith's implied allegation of widespread illegal street vending. The sale of illegal software in Riyadh is concentrated around the main "computer souk," sold by a couple of dozen mainly Bangladeshi expatriates who approach cars and pedestrians with small stacks of pirated software titles, taken from small warehouses and production facilities hidden above the souk's warren of computer equipment shops. Econoffs visiting this area have found vendors increasingly skittish from previous months, but still in business. Western movies are sold most visibly in another single area, with pirated and non-pirated DVDs available side by side in the same shops. End note.)

14. (SBU) Obaidallah al-Obaidallah, Director of Copyrights from the MoC, said the SAG is working hard and pointed to the creation of the new VRC in Jeddah and the soon-to-be-operational VRC in Dhahran as signs of Saudi commitment. He said many cases of street piracy are difficult to prosecute because the vendors have been able to

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out-run police but the MoC is currently drafting a proposal to the Ministry of Interior to get police officers and the Motor Vehicles Department to cooperate on IPR enforcement. He also said that because many of the street vendors come from South Asia, his team will receive appropriate language training. Obaidallah expressed optimism that with increased man-power and cooperation, enforcement will be improved.

15. (SBU) MoC participants agreed to stay in contact with IIPA and the Embassy on continuing developments. Regarding the website, IIPA agreed to the SAG suggestion that they fund an independent webmaster to upload all the case information in both Arabic and English.

Proposal to audit Saudi government computers

16. (SBU) Representatives from the Business Software Alliance (BSA) said that they focus on ending user piracy rather than prosecution. They described an awareness campaign to be implemented in the coming weeks whereby they will send letters to several hundred businesses in Riyadh, Jeddah, and Dhahran. Microsoft representatives echoed this sentiment, estimating that even 75-90% of Saudi government computers may not be licensed. (Note: It is unclear what information this estimate is based on.) Aiyash responded that the true extent of the problem is unknown and is difficult to determine, especially since each Ministry is independent (i.e., stovepiped). Microsoft representatives suggested the SAG hire a third-party contractor to do an audit. Aiyash responded that many of the Ministries would not allow it for fear of privacy violations, but he offered that if the rights-holders wished to pay, he could arrange for an audit in his own Ministry of Commerce, as a way of setting an example, and simultaneously send letters to all the other Ministries reminding them of their commitments.

Pharmaceuticals and "Data Exclusivity"

17. (SBU) After many months of stalemate, the SAG delegation agreed to the original Exclusive Marketing Rights (EMR)

Proposal first put forth by the USTR in 2007. The Ministry of Health representative Ali Zawawi claimed a Royal Decree will be forthcoming.

¶8. (SBU) The SAG delegation mentioned ongoing efforts to negotiate a GCC-wide data exclusivity law, and a GCC-EU Free Trade Agreement. The SAG said they are feeling caught between conflicting demands by the United States and the EU. Representatives from USTR offered technical assistance for the drafting of the data exclusivity law. The delegation also announced that in cooperation with USPTO, the SAG will be hosting two training workshops on data-exclusivity in the spring in Riyadh and Jeddah.

¶9. (U) Saudi Members of the IPR Working Group:

Abdulilah al-Suleiman, Director of the 5th Court
Board of Grievances

Mohammed al-Aiyash, Chairman of the IPR Committee
Ministry of Commerce and Industry

Mahmoud Roshdi, Director General of Commercial Licensing
Ministry of Commerce and Industry

Obaidallah al-Obaidallah, Director General of Copyrights
Ministry of Culture and Information

Khalil al-Jihani, Legal Advisor
Customs Authority

Ali Al-Zawawi, Director General of Medical Licenses and
Pharmacy
Ministry of Health

Khalid al-Aqeel, Director General for Industrial Property
King Abdulaziz City for Science and Technology
RUNDELL